



CROSSRAIL BOARD

**Minutes of the Meeting of the Board of Directors of Crossrail Limited
Held on Thursday 28 April 2016 at 13.00
Crossrail Limited, 28th Floor Boardroom, 25 Canada Square,
Canary Wharf, London E14 5LQ**

Members:	In Attendance:	Apologies:
Terry Morgan <i>Chairman</i>	Martin Buck <i>Transition & Strategy Director</i>	
Andrew Wolstenholme <i>Chief Executive</i>	Victoria Burnett <i>Head of Secretariat</i>	
Pam Alexander <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director and Company Secretary</i>	
Michael Cassidy <i>Non-executive Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Mathew Duncan <i>Finance Director</i>	Paul Grammer <i>Commercial Director</i>	
Phil Gaffney <i>Non-executive Director</i>	Chris Green <i>Chair Operations & Systems Expert Panel</i>	
Terry Hill <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Robert Jennings <i>Non-executive Director</i>	Howard Smith <i>Operations Director</i>	
Daniel Moylan <i>Non-executive Director</i>	Valerie Todd <i>Talent and Resources Director</i>	
Simon Wright <i>Programme Director</i>		

The meeting was quorate.

01/17	<p>The Chairman welcomed Board members and attendees.</p> <p>Members were reminded that any interests in a matter under discussion must be declared at the start of the meeting, or at the commencement of the item of business.</p> <p>There were no interests declared in relation to the day's business.</p>
BD MIN 160331	<p>Minutes of the Meeting of the Board held on 31 March 2016</p> <p>The Board APPROVED the minutes of the meeting held on 31 March 2016 for signature.</p>
BD AC 160428	<p>Actions and Matters Arising</p> <p>The Board NOTED the following action status update:</p> <p>B16.050 Graphical Wayfinding – Andrew Wolstenholme reported that the Executive and Investment Committee had looked into the possibility of supporting the proposal in the event that part of the funding might be raised externally. It had concluded that</p>

	<p>it would still not be appropriate to commit to the proposal at this stage but that a decision could be taken at a later stage if circumstances changed.</p> <p>Otherwise there were no outstanding actions 'due' for this meeting that were not completed or covered elsewhere on the agenda.</p>
<p>BD CBR 160428</p>	<p>Crossrail Board Report Period 13</p> <p>Andrew Wolstenholme introduced the Board Report providing an overview of Period 13 highlighting that:</p> <ul style="list-style-type: none"> • Network Rail (NR) had carried out critical works for Crossrail over the Easter Bank Holiday on the West, Anglia and North Kent Railways. There had been no significant overruns. NR would also be carrying out important works during the upcoming bank holiday weekends in May; • It was reported that the programme was 73.1% complete against a revised plan of 76.2%. Production in the Period was 0.4% against a planned 0.2%; • The annual MOHS refresh was almost complete and key outcomes on schedule confidence would be reported in SACR15 which would be approved at the Board away day in May; • Cumulative CPI had increased significantly to 0.95 from 0.92 [REDACTED] [REDACTED] Cumulative SPI remained at 0.96; and • Headroom to IP1 had decreased by £32.4m to £102m and the P80 AFCDC was £103m above IP1 which indicated that there remained a greater than 30% chance of drawing on some of TfL's contingency. <p>Are We Safe?</p> <p>It was NOTED that:</p> <ul style="list-style-type: none"> • Martin Brown had been appointed as the new Health and Safety Director and would start at the end of May; • At the year end, RIDDOR AFR had increased to 0.17 which was a 5% reduction from 2014/15 year-end AFR of 0.18 against a corporate objective of a 20% reduction over 2014/15 rates. This was due to poor performance by C610 and C828 (Ilford Yard). Both contracts had attended the Health and Safety Committee last week to present their performance improvements plans; • Lost time case AFR had increased to 0.26. However the 20% reduction from 2014/15 year AFR of 0.32 had been achieved; • HSPI had decreased slightly to 2.33; C610 remained the only contract to be below the 2.0 benchmark for HSPI; and • 'Stepping up week' was taking place during the week of the Board meeting with a focus on health and safety, specifically on fire and working at height. <p>Are We Within Funding?</p> <p>Mathew Duncan presented an overview of the Period's financial position.</p>

It was **NOTED** that:

- The P50 AFCDC had increased by £1.3m in the Period to £11,804m, predominantly due to the net impact of [REDACTED] reductions following the Q4 QRA and the approval of the Network Rail (NR) Interim Funding Agreement (IFA) in the Period. IP1 had decreased by £31.1m resulting in headroom to IP1 decreasing by £32.4m to £102m;
- Of the £763m QRA total, £109m was currently programme risk not allocated;
- The overall contingency budget of £859m remained sufficient to cover the P50 risk exposure of £764m, but was inadequate at P95 (by £310m, which was a deterioration of £72m since P12); and
- At P80, the AFCDC of £12,009m was £103m above IP1.

At the request of the Board at the last meeting, Mathew Duncan also provided a presentation showing: the composition of programme risk not allocated and how that had changed since SACR 13; how the intervention points had reduced since the Comprehensive Spending Review; and the movement in the level of programme contingency since Period 6.

Commercials Update

Paul Grammer provided an update on progress with the following contracts: C405 Paddington; C412 Bond Street; C422 Tottenham Court Road; C535 Farringdon; C502 Liverpool Street; C510/512 Whitechapel; C300/410 Tunnels West; C305 Tunnels East; C610 Systemwide; C828 Ilford Yard; C530 Woolwich; C620 Signalling; and C660 Communications.

Are We on Time?

Simon Wright presented an overview of delivery performance highlighting some of the key issues for the Period. It was **NOTED** that:

- At Ilford Yard, further schedule slippages had pushed the Paintshop and Logistics buildings SC1/SC2 dates to end of May 2016 and the Workshop A SC3 date was now forecast for handover to Bombardier early in June. These delays, combined with issues on the temporary control building, had resulted in re-planning of the blockade works, now projected to begin at the end of July 2016;
- Following a full commercial review of the Farringdon contractor's BUF, an additional provision of [REDACTED] had been made in the P13 QRA. However, the site team remained focussed on driving cost down and would be scheduling a special value engineering review panel in Period 1 of 2016-17 to review several proposals to help alleviate cost pressures;
- The C300/410/610 Bond Street and Tottenham Court Road station teams were nearing completion of a final round of hammer testing. The target completion date for repairs at Bond Street was the end of May and for Tottenham Court Road, the end June; and
- AP9 mining works had started and good progress had been made. The remaining critical concern was mining beneath the sewer, which was expected to be completed during Period 1 of 2016-17. A plan was progressing to regularise the management of the asbestos identified in the

	<p>London Wall Building.</p> <ul style="list-style-type: none"> • <p>Operations</p> <p>Howard Smith provided on update on key operations issues NOTING that:</p> <ul style="list-style-type: none"> • Signalling integration continued to be the principal technical risk. A detailed programme for ETCS software releases was now in place, with the first release scheduled for June 2016; and • The issue with production of rolling stock had stabilised and Mike Brown and Howard Smith would revisit the Derby depot on 27 May with the expectation of being able to view a completed train. <p>Are we world class?</p> <p>It was NOTED that:</p> <ul style="list-style-type: none"> • Period 13 had seen the fewest number of complaints since Period 5 overall with work at Abbey Wood and Whitechapel attracting the most complaints in the Period. • TfL was taking the lead on transition having appointed Crossrail's Operations Director as the lead and the one who would chair the CRL/TfL Transition Steering Group. • The KPI target for this reporting year of 476 apprentices had been exceeded. A total of 543 apprentices had worked on the project as at the end of Period 13. <p>The Board NOTED the Board Report for Period 13.</p>
01/17	<p>CRLB 01/17 – Operations and Systems Expert Panel Update</p> <p>Chris Green presented the Operations and Systems Expert Panel Quarterly Report which focussed on three key issues: Stage One Readiness (Shenfield May 2017); Stage Two Readiness (Heathrow May 2018); and Central Test Section Readiness (November 2017).</p> <p>The Panel had reached the following conclusions:</p> <ul style="list-style-type: none"> • Stage One remained deliverable in May 2017, subject to managing the emerging risks at Ilford Depot and the Panel supported the work to develop a mitigation plan with MTR, Abellio and Bombardier for temporary stabling; • The May 2018 Stage Two should be maintained and mitigations should continue to be explored to cover a delay in ETCS; and. • The November 2017 start to Dynamic Testing remained deliverable providing that pressure could be maintained on Network Rail to deliver access at Pudding Mill Lane.
02/17	<p>CRLB 02/17 – Project Representative (PRep) Reports Periods 12 and 13</p> <p>The PRep report for Period 12 had been included in the Board Pack. Andrew Wolstenholme provided a verbal summary of the Period 13 Report which NOTED issues relating to the following: Ilford main blockade; stepping and gauging works; cost, contingency, and change; Ilford Yard Paintshop; agreements progress; DOO</p>

	<p>CCTV; NR network change notices; the Crossrail Arch at Paddington; Woolwich; and Quality.</p> <p>The Board NOTED the P-Rep reports for Periods 12 and 13.</p>
03/17	<p>CRLB 03/17 – Legal Report</p> <p>Mark Fell presented the Legal Report which was NOTED by the Board.</p>
04/17	<p>CRLB 04/17 – 2015/16 Scorecard Performance Results</p> <p>Mathew Duncan presented the results of the 2015/16 Corporate Scorecard.</p> <p>It was NOTED that two factors had affected the scores for the year.</p> <ul style="list-style-type: none"> • The primary metric score had been significantly affected by a poor outcome for objective F1 - 'Manage change and control our risks to maintain affordability (IPO – AFCDC)' which had a weighting of 33%. Performance had dropped from the 50% band in Period 12 to the 25% band in Period 13. • The health and safety score was lower than the previous year due to only a marginal improvement in the RIDDOR rate being achieved which was largely attributable to the performance by C610 (Systemwide) and C828 (Ilford) in the final two periods of the year. <p>The Board NOTED:</p> <ul style="list-style-type: none"> • The primary metric score of 64% • The health and safety score of 78%; and • That the Remuneration Committee would determine the final corporate score.
05/17	<p>CRLB 05/17 – Notification to Sponsors of Stage 2 Operation</p> <p>In accordance with the Sponsor Requirements, Crossrail was required to give 24 months' notice of the date on which Crossrail Services should start for each Stage. Howard Smith presented an update on preparations for Stage Two together with the proposed letter giving the requisite notice to Sponsors to start Stage Two on 20 May 2018.</p> <p>Having NOTED that confidence in the ability to be able to commence Stage Two on 20 May 2018, was 'high' at 70%, the Board AGREED that the letter and dashboard should be presented to the Sponsors.</p>
06/17	<p>CRLB 06/17 – [REDACTED]: Increase in Budget and Investment Authority following Supplemental Agreement No 1</p> <p>[REDACTED]</p> <p>The Board APPROVED the provision of additional budget and investment authority for the [REDACTED] project for the amounts set out in the following table.</p>

WBS code	Current Control Budget £	Investment Authority £
1WE-P001-C412-860-001	[REDACTED]	-
1WE-P001-C412-010-000	-	[REDACTED]
1WE-P001-R132-010-001*	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]

*Amount agreed to be reimbursed by the over-site developer for provision of power infrastructure.

07/17 CRLB 07/17 – [REDACTED] in Budget and Investment Authority following Supplemental Agreement

[REDACTED]

The Board **APPROVED** the allocation of increased budget and investment authority for [REDACTED] for the amounts set out in the following table:

WBS code	Current Control Budget £	Investment Authority £
2CE-P117-C828-860-001	[REDACTED]	
2CE-P117-C828-010-001		[REDACTED]

[REDACTED]

Action: Paul Grammer

08/17 CRLB 08/17 – Proposal to Allocate Board Contingency to Programme

Mathew Duncan presented a proposal to transfer £200m from Board Contingency to Programme Contingency. Mathew Duncan explained that, having made significant progress with the commercial agreements which had increased confidence of handover and completion dates alignment with to MOHS, the resulting increases in contract prices had necessitated a transfer of contingency. Details of the material contracts, the impact on Board Contingency, and the risks allocated to Board Contingency were set out in the paper presented.

After some discussion, the Board **AGREED** to transfer £200m from Board Contingency to Programme Contingency. The Board also **NOTED** that it was likely that a further transfer would be required later in the year and a subsequent request for approval would be presented to the Board at that juncture.

Minutes of Board Committees for Reference

The Board received the following minutes for reference:

Pre-meeting Board Briefing – Thursday 28 April 2016

Members:	In Attendance:	Apologies:
Terry Morgan <i>Chairman</i>	Sarah Allen (Part of meeting) <i>Head of Marketing Communications</i>	
Andrew Wolstenholme <i>Chief Executive</i>	Martin Buck <i>Transition & Strategy Director</i>	
Pam Alexander <i>Non-executive Director</i>	Victoria Burnett <i>Head of Secretariat</i>	
Michael Cassidy <i>Non-executive Director</i>	Mark Fell <i>Legal Services Director and Company Secretary</i>	
Mathew Duncan <i>Finance Director</i>	Lucy Findlay <i>Chief of Staff</i>	
Paul Grammer <i>Commercial Director</i>	Elizabeth Gillbe (Part of meeting) <i>Head of Finance</i>	
Phil Gaffney <i>Non-executive Director</i>	Rob Halstead (Part of meeting) <i>Head of Programme Efficiency</i>	
Terry Hill <i>Non-executive Director</i>	Will Parkes <i>External Affairs Director</i>	
Robert Jennings <i>Non-executive Director</i>	Matt White (Part of meeting) <i>Surface Director</i>	
Daniel Moylan <i>Non-executive Director</i>		
Howard Smith <i>Operations Director</i>		
Valerie Todd <i>Talent and Resources Director</i>		
Simon Wright <i>Programme Director</i>		

1. QRA Briefing

Rob Halstead presented the QRA Briefing. (Elizabeth Gilbe attended for this item.)

The presentation included: a comparison of budget/contingency versus forecast/risk; an analysis of the increase in delivery costs; the assumptions underpinning the QRA; the calculation of programme risk not allocated; remaining uncertainties with major contracts; and a summary of activity since SACR13.

The conclusions were as follows:

- Delivery costs had increased at SACR15;
- Risk had decreased with significant commercial risk realised;
- 'Programme Risk Not Allocated' was currently £114m;
- The range of uncertainty was decreasing; and
- The likelihood of delivering within IP1 remains at 67%

The Board **NOTED** the presentation.

2. ONW NR – Issues with Cost and Schedule

Simon Wright provided a presentation on the independent report commissioned by Crossrail to look at cost and schedule issues relating to the ONW. A number of themes had emerged from the report. They were: relationships and roles; governance and commercial; reporting; staff; planning and schedule; and requirements and assurance. The report would be shared with Network Rail and action plans established to address the 18 detailed recommendations.

Matt White presented a summary of the ONW costs including NR's revised P80 Forecast to RAB: ONW AFC which was £2,221m. The headroom to the DfT intervention price (£2.3bn) had reduced to £79m. CRL and NR were continuing to work through the commercial estimates for the works and CRL had carried out AFC peer reviews as well as issuing an AFC challenge to NR.

In response to a letter received from Sponsors on 29 January 2016 which asked for increased visibility of the Crossrail ONW, it was proposed to provide information on the following: changes to the ONW cost section in the periodic Board Report; NSACS style template reviews by the periodic Programme Delivery Board; CRL guidance provided to NR for embedding templates and processes; and CRL's strategic advice on procurement and commercial arrangements with key NR suppliers.

The Committee **NOTED** the presentations.

Terry Morgan **REQUESTED** that a briefing be provided to him before his meeting with Peter Hendy in May.

Action: Simon Wright

3. **Launch of Crossrail Design Campaign**

Will Parkes and Sarah Allen gave a presentation that informed the Board of a number of upcoming events and activities taking place as part of the campaign to celebrate the Crossrail design story. These included:

- A RIBA exhibition launch on 10 May;
- Pop-up exhibition at Canary Wharf at the end of May;
- LTM public event: Designing for the urban realm on 22 June;
- Pop-up exhibition at Paddington Station on 1 June;
- London Transport Museum exhibition and book launch on 28 June;
- The NLA exhibition in September; and
- The GLA exhibition in October.

The Board **NOTED** the presentation and **REQUESTED** that they be provided with 'key messages' notes for stakeholder events in future.

Action: Will Parkes

